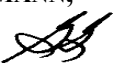




SUGAR LAND 4B CORPORATION

AGENDA REQUEST

AGENDA OF:	11-17-10	AGENDA REQUEST NO:	II-A
INITIATED BY:	NELDA MCGEE, EXECUTIVE SECRETARY	RESPONSIBLE DEPARTMENT:	CITY SECRETARY
PRESENTED BY:	GLENDA GUNDERMANN, CITY SECRETARY	DEPARTMENT HEAD:	GLENDA GUNDERMANN, CITY SECRETARY 
		ADDITIONAL DEPARTMENT HEAD (S):	N/A
SUBJECT / PROCEEDING:	SUGAR LAND 4B CORPORATION MINUTES SEPTEMBER 15, 2010 APPROVE MINUTES		
EXHIBITS:	MINUTES SEPTEMBER 15, 2010		
CLEARANCES		APPROVAL	
LEGAL:	N/A	DIRECTOR:	REGINA MORALES, ECONOMIC DEVELOPMENT
PURCHASING:	N/A	ASSISTANT CITY MANAGER:	N/A
BUDGET:	N/A		
BUDGET			
EXPENDITURE REQUIRED: \$		N/A	
CURRENT BUDGET: \$		N/A	
ADDITIONAL FUNDING: \$		N/A	
RECOMMENDED ACTION			
Approve the minutes of the Sugar Land 4B Corporation meeting September 15, 2010.			
EXECUTIVE SUMMARY			

EXHIBITS

STATE OF TEXAS §
COUNTY OF FORT BEND §
CITY OF SUGAR LAND §

CITY OF SUGAR LAND
SUGAR LAND 4B CORPORATION MEETING
SEPTEMBER 15, 2010

REGULAR MEETING

The Sugar Land 4B Corporation convened in regular meeting open to the public in Cane Room, 161, of Sugar Land City Hall on Wednesday, September 15, 2010, at 4:00 o'clock P.M. and the roll was called of the members; to wit:

Donald G. Olson, President
Donald L. Smithers, Vice President
Mary Favre, Secretary/Treasurer
James Clancy, Jr.
Himesh Gandhi
Cynthia Knox
Robert Pickell

QUORUM PRESENT

All of said members were present, with the exception of Director Clancy, who was absent.

Also present were:
Eugenia Cano, Assistant City Attorney
Regina Morales, Director of Economic Development
Jennifer Brown, Budget and Research Director
Nelda McGee, Executive Secretary, and
A Number of staff and visitors

CONVENE MEETING

President Olson convened the session, open to the public, to order at 4:04 o'clock P.M.

MINUTES

President Olson introduced consideration on the minutes of the Sugar Land 4B Corporation meeting held Wednesday, August 18, 2010.

Following a full and complete discussion, *Director Smithers*, seconded by *Director Gandhi* made a motion to approve the minutes of the Sugar Land 4B Corporation meeting held August 18, 2010. The motion carried unanimously.

CIP JOINT PARTICIPATION FUNDING
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President Olson introduced discussion on Venetian Estates Property owner Association Request for Joint Participation CIP Funds for landscaping improvements on Lombardy Street and Savoy Street.

Mr. Tim Neely, Business Resource Manager stated City staff received an application from the Venetian Estates Property Owners Association for project funding through the Sugar Land 4B Joint Participation Program; a way for the 4B Corporation to participate with community-based organizations in joint capital improvement projects. The projects are initiated and developed by the private sector to be on or to enhance public property; 4B funds are used to increase the quality or scope of the project and/or decrease the time of development.

Resolution 2008-04-03 was approved in April 2008 and established the following criteria for joint participation eligibility:

- Project complies with this policy and State eligibility for 4B Corporation funding
- Community organization contributes at least 50% of project funding
- Project is located within city limits of Sugar Land
- Project does not conflict with existing City plans
- Community organization has financial ability to fund its portion of the project
- Project is located on public property or public easement or enhances/protects public property

Recent successful joint participation projects include right-of-way landscaping for City of Meadows Place, Avalon Community Association, and Greenbriar Neighborhood Association. The 4B Corporation Fiscal Year 2011 Budget includes \$100,000.00 allocated for joint participation CIP projects; funds become available October 1, 2010, and will be utilized on a first-come, first-served basis.

The Venetian Estates Property Owners Association proposes to install enhanced landscaping and hardscaping improvements at two of the entrances into the community, Savoy Street at U.S. 90A and Lombardy Street at U.S. 90A. Venetian Estates Property Owners Association would fund approximately 55% and Sugar Land 4B would fund the remaining 45%. Construction management and ongoing maintenance would be performed by the POA.

Current community landscaping and signage has been obscured by the expansion of U.S. 90A and construction of the sound wall. Proposed improvements for the Savoy site include:

- 42 Asian Jasmine
- 3 Butterfly Iris
- 5 Foxtail Fern
- Signage
 - Antique brick, decorative stone, and decorative sign panel
- Flood Light
- New Grass around Plantings

CIP JOINT PARTICIPATION FUNDING (CONTINUED)
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Proposed landscape and hardscape improvements for the Lombardy site include:

- 14 Cleyera
- 10 plants of seasonal color
- 12 Indian Hawthorns
- 14 Knockout Roses
- 140 Asian Jasmine
- New Grass around Plantings
- Signage
 - Antique brick and decorative limestone
- Flood Light
- 4 Moon Lights located in Oak Trees

Proposed project budget is to fund the landscaping, lighting and irrigation portion, totaling \$27,742.00 and the POA to fund the hardscaping portion, totaling \$33,393.00. The project meets all joint participation eligibility criteria, the 4B would be reimbursing after construction of the improvements. If the Board gives direction to move forward with the project, staff will:

- Work with Legal Department and Venetian Estates POA to draft funding resolution and contract
- Come back to the 4B Board on October 20, 2010 for Public Hearing and consideration on funding resolution

If the funding resolution passes:

- City enters into an agreement with Venetian Estates POA to handle reimbursement of City's share
- POA manages installation of improvements
 - City permit process is separate from Joint CIP funding approval; the POA must receive all requirement permits prior to construction
- City reimburses the POA after completion of improvements is verified
- POA performs ongoing maintenance of improvements

Mr. Neeley introduced representatives from the Venetian Estates POA, **Ms. Susanne Johnston** and **Mr. Jim Hudnall, President of the Venetian Estates Property Owners Association**. Ms. Johnston stated the entrances to the subdivision were the only two negatively impacted by the widening of U.S. 90A; TxDOT raised the road bed into the Lombardy entrance 2-4 feet, leaving the existing signage and landscaping in a ditch, and the Savoy entrance signage was completely covered by the sound wall.

Director Pickell asked how many homes were in Venetian Estates; **Ms. Johnston** responded 271. Director Pickell asked if the applicants had a current financial statement for the POA, Mr. Hudnall confirmed one would be provided.

Director Favre asked if other subdivisions and organizations know about the joint participation program and the first-come, first-served basis.

CIP JOINT PARTICIPATION FUNDING (CONTINUED)

Mr. Regina Morales, Director of Economic Development confirmed, stating the Board would have a proposal from Gannoway Lakes next month and stating that Austin Meadow has made an inquiry; the program is presented each year at a quarterly HOA meeting hosted by the City Community Development program. **Director Pickell** commented on the issue of an HOA benefitting from taxpayer money contributed to the 4B Corporation; **Ms. Morales** stated use of funds is allowed for public improvements and/or public benefit, the City Legal Department made a ruling that landscaping, lighting, and irrigation in public rights-of-way is for public benefit. **Director Gandhi** asked if Venetian Estates has requested this type of assistance in the past, **Ms. Morales** confirmed this is the first request.

Director Smithers asked for additional project information for Meadows Place, Avalon Community Association, and Greenbriar Neighborhood Association. **President Olson** stated the Meadows Place project was matching esplanade landscaping for the Meadows Place rights-of-way on Dairy Ashford; the Avalon project was landscaping for an entrance way feature at University Boulevard and Commonwealth near Memorial Park; the Greenbriar project was developing city land as a park. Director Smithers asked the dollar value of the projects, **Mr. Neeley** responded:

- \$80,000.00 for Meadows Place
 - \$40,000.00 each
- \$60,000.00 for Avalon Community Association
 - \$24,990.00 from 4B Corporation Funding
- \$16,000.00 for Greenbriar Neighborhood Association
 - \$8,000.00 each

Director Favre commented the first-come, first-serve process seems to work against new associations with new leadership and asked if it would be possible to submit applications in a final deadline and choose from the submissions. **Ms. Morales** responded the issue is projects all come on line at different times; some might be developed within a few months, others might take years. The goal is to make funding as flexible as possible; if the majority of funds have been used, applicants with year-end projects will wait a few months and apply in the new fiscal year.

Director Pickell asked when the Sugar Land 4B Corporation joint participation program started. **Mr. Mike Hobbs, Special Projects Manager** stated the program started in 1999. Director Pickell asked if the Public Works Department managed the projects at that time, Mr. Hobbs affirmatively confirmed.

Director Favre asked if irrigation is the responsibility of the POA. **President Olson** answered it is put in through cost sharing; after that, the POA pays for water and maintenance. **Ms. Johnston** added the association had to cap two wells and start purchasing water from the City because of Texas legislation on subsidence. **Director Pickell** asked what the POA pays for water; **President Olson** stated that was not relevant to funding of the project.

Following a brief discussion, **President Olson** conducted a poll to determine direction to staff; the Directors concurred, with the exception of Director Pickell, to move forward with the project.

ECONOMIC DEVELOPMENT

President Olson introduced discussion on scope and deliverables for the commercial development strategy and retail analysis study.

Mr. Andrew Temple, Business Development Manager stated the purpose of the Commercial Development Strategy and Retail Analysis Study is to look at influences to fluctuation in the city sales tax base through the economy, leakages to other communities, and other identifiable factors. The study also examines the sustainability of existing retail centers and projects future viability and standards as they may come on line.

The scope of the study has six components:

- Area Market Analysis
- Trade Area Determination and Analysis
- Gap and Leakage Analysis (Retail)
- Spending Pattern Analysis (Residents)
- Future Development Sites Analysis (Five Sites)
- Creation of Submarket Marketing Materials (Retail Recruitment)

The City solicited qualified consultants through a formal Request for Proposal process and received proposals from nine highly skilled, experienced national firms. A cross-departmental evaluation team reviewed each response independently and upon final scoring, The Retail Coach, LLC was unanimously selected. The Retail Coach, LLC has office in Mississippi and Texas and is experienced in market research, site selection advisory and leasing services for national retailers and restaurants, economic development, and assisting communities maximize their retail development potential; recent experience includes:

- McKinney, Texas – retail analysis component to City Strategic Economic Development Plan
- Commerce City, Colorado – market analysis and retail recruitment strategy
- Apache Junction, Arizona – retail recruitment and expansion strategy

Phase I of Retail Coach's three-phase approach to the project consists of four components:

- Area Market Analysis
 - Traveling primary and secondary roads/arterials to document existing retail and regional centers
 - Reviewing retail markets in competing communities
 - Examining demographics of Sugar Land community versus other communities
- Stakeholder Meetings
- Retail Trade Area Determination(s)
 - Identify, delineate, and analyze Sugar Land submarkets
 - Create custom retailer defined retail trade area maps
- Submarket Delineations

ECONOMIC DEVELOPMENT (CONTINUED)

The second phase of the project includes five components:

- Submarket retail trade area mapping
 - Establishes retail trade boundary areas
- Submarket demographic profiling
- Submarket psychographic profiling
 - Uses ethnicity, educational attainment, and purchasing and lifestyle behaviors to define retail area and shopping within it
- Submarket retail gap analyses
 - Gaps in retail
 - Leakage into other communities
- Analysis of Sugar Land residents' spending patterns
 - Factors influencing sales tax
 - Impact to community

Phase III involves:

- Continued analysis of Sugar Land residents' spending patterns
- Analysis of five future development sites identified as future growth areas
 - Telfair Commercial Tracts at University Boulevard and U.S. 59
 - The Crossing at Telfair Development at State Highway 6 and U.S. 90A
 - Imperial Redevelopment Site
 - Riverstone Site
 - State Highway 6 north of U.S. 90A

Analysis of the five sites will determine appropriate retail, infill for gaps, what type of development would be most successful based on site development selection criteria, land uses, infrastructure, capacity and zoning, demographic trends, and projections for retail trade areas for the type of development most appropriate to each site. Phase III will include development of custom marketing pieces for each submarket.

Deliverables for each submarket include: Retail Trade Area (RTA) Map, demographic profile of the RTA, 3x drivetime and radial demographics with presentation maps, retail gap analysis, psychographic profile, and submarket marketing piece. Site analyses for each of the five future development sites and a spending pattern analysis report will also be provided.

Director Favre asked what the timeframe was for the spending pattern analysis. **Mr. Temple** responded the analysis would look at resident spending over the last few months and is more qualitative than quantitative.

Director Smithers asked why the retailers are not performing the research. **Mr. Temple** explained the study is to help Sugar Land determine what type of retail is most appropriate for the community and that would be successful. **Ms. Regina Morales, Director of Economic Development** added another purpose of the study is to see if Sugar Land has reached critical mass for retail and identify sustainability of more retail in new areas; the impact to older areas may create a need redevelopment.

ECONOMIC DEVELOPMENT (CONTINUED)

Director Knox asked how the information within the demographics for the project would be gathered. **Mr. Temple** stated existing City demographics/psychographics data sets, one-on-one interviews with retailers, and community surveys are a few of the tools used; representatives from Retail Coach will be at a future meeting to provide an update. **Director Knox** asked how the information from the study will be used. **Ms. Morales** explained the results will be incorporated into the update for the Economic Development Plan to establish goals and objectives for the next five years.

President Olson asked if the information would be shared with developers and retail businesses. **Ms. Morales** confirmed, stating developers are very supportive.

Director Gandhi asked for more information on Retail Coach, LLC. **Mr. Temple** responded Retail Coach is a national company that has done work across the country; the primary consultant is from the Mississippi office; the City is also working with a consultant from the Austin office and one from Dallas and Houston.

President Olson asked if the presentation would be at the November 4th meeting with the 4A Corporation. **Ms. Morales** explained the presentation will be for the Economic Development Plan update; the final report on retail will be received by that time, and the consultant will incorporate findings in the discussion. **Mr. Temple** added the final report will be received by October 13th and presented at the next meeting.

Directors viewed slides of the five identified existing primary Retail Trade Areas or submarkets:

- U. S. 59 (Intersection of U.S. 59 and State Highway 6)
- State Highway 6 (Intersection of State Highway 6 and Setters Way Boulevard)
- U.S. 90A (Intersection of State Highway 6 and U.S. 90A)
- Sugar Creek (Intersection of U.S. 59 and Sugar Creek Boulevard)
- U. S. 59 – State Highway 99 (Intersection of U.S. 59 and State Highway 99)

Mr. Temple stated project cost is \$48,000.00 from existing funds in the Sugar Land 4B Corporation Fiscal Year 2010 Budget.

SPORTS STADIUM

President Olson introduced discussion on Baseball Due Diligence for preferred site.

Ms. Regina Morales, Director of Economic Development presented an update for the minor league baseball stadium, stating the Public Information Plan allows staff to present status updates on the stadium to the public through HOAs, service clubs, and other organizations; this presentation to the Board is the “Road Show” being shared with the public.

Background

The Vision for the Entertainment District was established over a decade ago in alignment with Goal 9 of the City comprehensive Plan: *When possible, design and establish active recreational facilities as premier destinations for sporting events.*

SPORTS STADIUM (CONTINUED)

- University of Houston
 - Executed Ground Lease for 52 acres (2005)
 - Entertainment facilities such as minor league baseball listed as Allowable Uses with Higher Education Purpose in Lease Agreement
- Visioning Task Force
 - City Council appointed Visioning Task Force (May 2007) to develop Community Vision and Plan for 1,000 acres of undeveloped land along U.S. 59 Corridor
- Visioning Statement
 - Task Force delivered Final Visioning Statement to City Council (July 2007):
This land presents a unique opportunity for collaboration between public and private entities to create an integrated mixed-use urban destination. The development should reflect distinctive architectural character and promote a pedestrian feel in a multi-modal environment. It is envisioned to be a place to live, work, learn, play, and visit. This should be a regional employment center with a wide variety of recreational educational, and entertainment venues for everyone including performing and cultural arts and sports facilities, as well as a conference center with full service hotel amenities. Nature, open space, and water help define the development. The plan should also ensure connectivity to other key locations throughout the City.
- Recommended Projects
 - Visioning Task Force recommended pursuing five key projects: festival site, indoor concert venue, minor league ballpark, cultural arts venue, and hotel/convention center
- Development Criteria
 - Visioning Task Force provided City Council with project development criteria
 - Projects cannot impact residential property tax base
 - Projects cannot degrade quality of life with regards to noise, lighting, traffic, and public safety
- November 2008 Election
 - Voters approved four ballot propositions to allow City to implement funding tools for projects
 - SLDC Funds – Minor League Baseball
 - SLDC Funds – Indoor Concert Venue
 - Venue Taxes – Minor League Baseball
 - Venue Taxes – Indoor Concert Venue

Minor League Baseball

Development of a Minor League Ballpark was selected as one of the first projects for the Entertainment District; the process includes:

SPORTS STADIUM (CONTINUED)

- Minor League Ballpark
 - City preference - AAA Affiliated Minor League Baseball
 - Ongoing discussions with Houston Astros for 1.5 years
 - Financial and Market Feasibility Assessment Completed (July 2008)
 - Results indicated very positive market opportunity
 - Independent Minor League Baseball
 - Pursued after AAA expansion proposal rejected by Drayton McLane, Jr., Chairman and Chief Executive Officer of the Houston Astros Baseball Club (2009)
- Request for Statements of Interest (RSI) Process for Baseball Partner
 - Requests distributed in late 2009 with the following criteria:
 - Has baseball stadium development experience
 - Will bring team from one of the established leagues throughout the United States
 - Four responses received
 - Opening Day Partners (ODP) most qualified
 - Exclusive negotiations begin with Opening Day Partners (February 2010)
 - Letter of Intent signed with Opening Day Partners (May 2010)
 - Final negotiations on Lease and Development Agreements ongoing
 - Opening Day Partners financial contribution \$5,000,000
 - Anticipate City Council Approval in October 2010
- Site Selection
 - University of Houston Lease
 - New University Leadership questioned if previously agreed upon Lease Agreement and listed uses served purpose of higher education
 - State Attorney General Opinion forthcoming
 - City decision to find another site that would provide greatest economic benefit to surrounding areas and community based on visits to Northeast Coast Ballparks
 - RSI Process
 - Three responses received (June 2010)
 - Imperial Sugar/Tract Three selected as preferred location
 - Northeast corner of State Highway 6 and U.S. 90A
 - North of Oyster Creek
 - Anticipate City Council final site selection in October 2010
 - Pending outcome of due diligence
- Funding Mechanisms
 - Sugar Land 4B Corporation
 - SL4B not included on ballot (existing authority to fund such projects)
 - SL4B funds to be used for stadium funding
 - Stadium completely funded with no increase in sales or property tax rates

Ms. Morales stated Opening Day Partners has closed the opportunity to participate in the “Name the Team” contest, the public can now vote on the three names selected for the team. ODP has been asked to reconsider the names based on community dissatisfaction; they have agreed to modify the process by allowing a few key citizens the opportunity to provide a list of names through a private email address by the end of the month. **Director Gandhi** asked if the City had any input in naming the team.

SPORTS STADIUM (CONTINUED)

Ms. Morales responded the City has approval rights for naming the stadium, but the baseball team is owned by Opening Day Partners and the City has no approval rights.

Due Diligence

Mr. Mike Hobbs, Special Projects Manager presented a brief overview of the preferred site layout. Discussions with Johnson Development are ongoing regarding the proposed offsite parking move; the current location requires building a 23-foot high pedestrian bridge with 440 feet of ramps on each side to make it handicap accessible (approximately \$750,000.00) over the railroad tracks; the proposed location would allow building a bridge that comes directly into the stadium. Johnson Development Corporation is responsible for building the roads, the City will have a financial role; approximately 50-60 million dollars worth of site construction will be done in one year. There will be approximately 2,000 spaces for surface parking. Surrounding residential areas include Mayfield Park, Brookside/Belknap, and Estates of Oyster Creek; the stadium is approximately 3,000 feet from the nearest home.

The two sets of due diligence are constructability and quality of life. Constructability Analysis includes:

- Geotechnical Investigation
 - Water Table as shallow as 6 feet
 - Stadium will sit on the ground rather than go into the ground
 - Enter at concourse and walk down to seat
- Environmental Assessment (Phase I)
 - 20-Acre Site is clean
- FAA Clearances
 - Light towers 110 feet high
 - Fireworks
 - Notify flight operations
 - Towers below 150-foot limit

The City has a commitment to select a site that minimizes and/or eliminates any adverse impact to resident and to mitigate any negative impact to quality of life with regards to:

- Noise
 - Stadium noise simulations by acoustic engineer met current City standards
 - 65 decibels before 10:00 p.m.
 - 50 decibels after 10:00 p.m.
 - Spikes of 15 decibels permissible
 - Baseline assumes 45-50 decibels standard level of noise in a normal neighborhood
 - Comparable Sound Levels
 - Suburban Neighborhood – 50 dB(A)
 - Department Store – 60 dB(A)
 - Speech at 3-4 feet – 70 dB(A)
 - Chainsaw at Operator – 100 dB(A)
 - Rock Concert – 120 dB(A)

SPORTS STADIUM (CONTINUED)

Mr. Hobbs added that outdoor concert venue noise issues are controlled by standards set at the sound board and farthest audience member. Fireworks noise levels occur in spikes and their highest decibel level is not measureable; height of firework displays at the stadium is restricted to 300 feet by the FAA.

- Lighting
 - No spillover illumination or dark sky issues due to new lighting technology
 - Professional Baseball Field reading requirement – 110 foot candles
 - Reading at Outfield wall – .10 foot candle
- Traffic
 - Study methodology included internal roadway systems, impact to neighborhoods, state routes, and Opening Day Partners Traffic Plan and focused on:
 - Traffic counts
 - Most convenient drive routes to/from stadium
 - Improvements
 - Install traffic Signal at State Highway 6 and east/west connector
 - Turn lanes for deceleration

Mr. Hobbs stated if the parking site remains at Nalco, Ulrich Street will be improved with turn lanes to provide access to the parking lot. The Burney Road spur and Main Street issues will not be a problem if the parking site is moved. The Developer will pay for most improvements.

- Public Safety
 - Police Department Analysis of similar venues (Round Rock, Frisco, Midland, Corpus Christi)
 - Low crime impact
 - Security people on site
 - Traffic control
 - ODP Security Plan
 - City will customize for specific needs

Director Knox asked how drivers would exit the property going south on State Highway 6, and **Mr. Hobbs** answered it would be a dual left using timed signalization or manual assistance from police officers.

Director Favre asked if retail would be next to the ball field, and **Mr. Hobbs** responded it is classified mixed use. **President Olson** added it would remain mixed use until there is a commitment by the City to a permanent change in zoning or the General Plan; Johnson Development has to come back with a development plan for the City to consider.

Director Favre asked if there would be shuttle service provided between the airport and the stadium. Mr. Hobbs stated the developer was considering the possibility of shuttles with the Nalco parking site arrangement; if the parking site is moved, there would not be shuttle service.

ADJOURN

There, being no further business to come before the Corporation, *President Olson* adjourned the meeting, time at 5:27 o'clock P.M.

Donald G. Olson, President

(SEAL)